

April 25, 1975

PRESIDENT: The question is shall LB 560 be advanced. Record your vote. Record.

CLERK: 25 ayes, 0 nays.

PRESIDENT: The bill is advanced. LB 452.

CLERK: Read title. There are committee amendments by Senator Murphy's Banking Committee.

PRESIDENT: Senator Murphy.

SENATOR MURPHY: The bill deals with credit unions and with their management, particularly with the supervision given to various functions of that credit union. The amendment replaces the bill. It is Senator Swigart's bill. I would ask Senator Swigart to speak to the bill which, as I say, is now in the amendment itself. The amendment is the bill.

PRESIDENT: Senator Swigart.

SENATOR SWIGART: Mr. President, fellow colleagues, first Mr. Clerk you mentioned in there that it says how much credit unions may borrow. That part has been deleted. I wanted to disarm those who think we're going to change the amount that credit unions can borrow. This is not a feature of this bill. Incidentally, you said 462, but I'm sure you've got it down right, it's 452. I agreed to introduce this bill, ladies and gentlemen. I'm not a close associate with the credit unions, nor savings and loans. My next two bills are going to be from one or the other of those two. I do want to tell you . . . and I think I can tell you clearly the changes that will be made under this amendment to 452. Incidentally, the amendment is actually the bill. The only reason for bringing in this amendment is to more clearly define and put it in better language than it was in the green bill. Here are the changes. Section number 1. Section number 1 of the amendments would allow state chartered credit unions to act as trustees or custodians within the provisions of the Retirement Act and the Internal Revenue Code. This is similar to what we did. We allowed the banks and the savings and loans, under LB 208 that passed earlier, to do this same thing. So the credit unions would also like to act as trustees and custodians. I believe that that would be in order. The rest of these are mostly, I think you'll agree with me, more or less housekeeping. Here they are. Section 2 would allow a credit union to hold its annual meeting anytime during the year instead of as it reads now, prior to March 31st. Section number 3 deletes one statement which is simply redundant material. It deletes that. A credit union must observe the laws including the provisions of this act. So there's a statement that is redundant. Section number 4 would amend the law so that the supervisory committee must inspect the loans of the credit union calendar quarter, and cause an audit to be made annually. I believe that's more or less routine. But it spells it out so they have to do that. Section number 5,